

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

6066-X

Follow-on #1
(Revised)

September 1, 1972

MEMORANDUM FOR: DR. KISSINGER
FROM: SAMUEL M. HOSKINSON
SUBJECT: Arms for Libya

You have indicated that you thought we "should consider" releasing the eight F-5 aircraft which the Libyans want and asked how we would proceed.

We could begin by asking State for its views. As it turns out, however, Secretary Rogers has just completed a review of our arms policy toward Libya and has concluded that "any modification of the present arms supply policy would not buy much, if any, security for American oil companies." This was based on the view that the Libyans are probably bent on nationalizing the entire oil industry and will do so no matter what we do whenever it best suits their political and other purposes. It was also concluded that the major, and probably overriding, factor determining U.S. -Libyan relations, and probably also the future of the oil companies, is the intense Libyan hostility towards our policy on the Arab-Israeli conflict.

As a result, the Secretary has decided that there should be no change in our present policy of providing no new weapons to Libya, but attempting to avoid a direct "Yes-No" confrontation over the F-5s. Spares for previously supplied equipment, including aircraft, will continue to be sold and the U.S. approval of the Italian sale of U.S. origin APCs and artillery will remain in effect. Deputy Secretary Irwin has informed the oil companies.

The problem, therefore, boils down to whether or not you wish to override State on this one or ride along with the actions they have just taken to

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revalidate the present policy. If you did want to go ahead, it would probably mean selling all eight aircraft, since dribbling them out would not reduce and might even raise Libyan sensitivities. This could be done in a low-key way but, given the situation in the Middle East, could not be kept secret.

My own feeling is that this is not a particularly good time to change our Libyan arms policy. For one thing, Qadhafi is an anathema to the Israelis because of his strong support of the fedayeen, financial subsidizing of Egypt and tending to push Sadat toward radical solutions. He is also opposed to Arab friends like Kings Hussein, Hassan and Faisal and has made contributions to radical groups in the U. S. like the Black Panthers. But more important is the fact that the hostile Libyan attitude toward the U. S. is not likely to change until the Arab-Israeli situation changes, if then. As for the oil companies, from all indications they are living on borrowed time in Libya no matter what happens, so long as the present regime remains in power.

Recommendation: That we stick with the present arms policy toward Libya subject to later review if the situation changes.

Approve HK

Other _____